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S E C R E T SECTION 01 OF 04 KUWAIT 004400

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TAGS: EPET ETRD EWWT KHLs PTER ASEC KU OIL SECTOR

SUBJECT: KUWAIT: VULNERABILITY OF KEY FOREIGN OIL SUPPLIERS

REF: SECSTATE 182688

Classified By: Deputy Chief of Mission Matthew Tueller for reason 1.4 (b) and (d)

**¶1.** (S) Summary and Comment: The flow of oil from Kuwait remains vulnerable to disruption by terrorist attack, accident or natural disaster, with the off-shore loading platforms and facilities being the most vulnerable. The onshore Mina Al-Ahmadi facilities are considered a restricted zone and are somewhat protected, while the offshore loading platform and piers remain highly vulnerable, despite the existence of an offshore "no-entry" zone. A Single Buoy Mooring (SBM), located about three miles offshore from Mina Al-Ahmadi, is in a restricted area but is vulnerable to an attack by small boats.

**¶2.** (S) The GOK coordinates protection of its oil infrastructure through a Vital Installations Security Group, headed by the Director General of Kuwait State Security and comprised of representatives from various GOK ministries and the oil sector. A disruption to Mina Al-Ahmadi refinery would stop approximately 440,000 bpd of crude from being refined each day. An attack on the export facilities at Mina Al-Ahmadi would take approximately 2 million bpd of crude and refined product off the world market. Other vulnerable facilities include the other two refineries, the pipelines connecting the oilfields to the refineries and export terminals, the gathering centers, the tank storage farms, the petrochemicals plants and desalination plants.

**¶3.** (C) Comment: The proximity of oil infrastructure facilities to U.S. military facilities in Kuwait should remain an issue of concern and calls for increased vigilance over security plans by the GOK for its oil infrastructure. A number of accidents over the past few years have demonstrated that neglect is perhaps a bigger danger than attack, but the real possibility of an attack on Kuwait's oil facilities remains. It is clear that the GOK has incident plans and has done vulnerability assessments, but the real questions are how often these plans are tested, how prepared the GOK would be for a real incident, and how seriously it takes the recommendations of any assessment. End Summary and Comment.

Vulnerability Assessments: An Inside View

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**¶4.** (C) Econ Officer met October 11 with Kuwait National Petroleum Company (KNPC) Manager for Safety, Health and Environment Mohammed Al-Ramadhan and KNPC Coordinator for Safety at the Mina Al-Ahmadi Refinery AbdulHameed Al-Awadi. They explained that the GOK conducts vulnerability assessments on a regular basis, and that these assessments include the Mina Al-Ahmadi refinery and export facilities. The assessments have been undertaken internally by KNPC, by the parent Kuwait Petroleum Corporation (KPC), and by outside consultants, including Global Village Strategies (<http://www.gv-s.com>) and AustroConsult (<http://www.austroconsult.at>). The challenge for Kuwait seems to remain in actually implementing any recommendations that follow such assessments.

**¶5.** (C) Although the assessments are not publicly available, the two KNPC employees did share the fact that all vulnerability assessments performed thus far agree that the point most vulnerable to attack is from the sea. The piers, the refineries and the offshore loading platforms are all highly vulnerable to an attack by small boat. This assessment tracks with what we have consistently heard from other sources.

**¶6.** (S) In July 2005, RSO was provided with a verbal briefing from a contact at the British Embassy. The contact passed an assessment performed by a British security firm that had conducted a security survey for the Kuwait Oil Company in June 2005. The security company found that much of the KOC infrastructure - including the fields, pipelines and buildings - was either badly protected or not protected at all. The report assessed that Kuwait's oil infrastructure was extremely vulnerable to terrorist attack. The specific physical security problems cited in the report included:

-- Security Fences: varied greatly in quality and standard of maintenance.  
-- Buildings: Security of doors and windows is poor, enabling easy penetration.  
-- Access Control: Current access control systems are widely circumvented or abused.  
-- Intruder Detection: Lack of effective intruder detection systems.  
-- ID Cards: Current ID cards have no expiration date, allowing former employees access to KOC premises.  
-- CCTV: Very few CCTV systems, many of those in place did not work due to lack of maintenance.  
-- Guards: Only 14 of the 373 sites in a database of KOC sites had full-time guards.  
-- Pipelines: Much of the pipeline is totally unprotected. The North-South pipeline, for example, which carries 800,000 bpd, and the Western pipeline, which carries potentially lethal levels of hydrogen sulfide, are both unprotected.

17. (S) The security firm report noted that there would be no effective changes in the security posture of KOC until there was effective apportionment of responsibility between the Ministry of Energy, the Kuwait Petroleum Corporation (KPC), and KOC. The report assessed KOC overall security to be "extremely weak," and indicated that an attack could easily be mounted, with little organization or training, against the pipelines. It continued that a more organized and determined group might prefer to attack the Single Buoy Mooring (SBM), destroying or damaging not only the tankers and buoy, but also the under-sea pipeline.

Preventive Actions Taken: Committees, CCTV Upgrades, No-Entry Zones

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18. (S) Preventive actions include the formation of a number of committees, upgrading of physical security procedures and equipment, establishment of a no-entry offshore zone, and the formation of a new security services company under the KPC umbrella. Most preventive actions appear to be in response to risk assessments that have been conducted, while some actions appear to be responding to attacks on oil company facilities in Saudi Arabia, threats from Iraq, and other external factors. "The budget is there," one KNPC contact told us, but it is our opinion that Kuwait needs to find the will to implement the necessary changes and may not fully do so until after an attack or accident.

19. (S) The GOK has established a Vital Installations Security Group (VISG), which is ultimately responsible for protection of all vital oil industry facilities. The Group is headed by Kuwait State Security Director General Othbi Fahd Al-Ahmad Al-Fahd Al-Sabah, brother of the Minister of Energy. The VISG is part of an inter-ministerial committee which reports to the Council of Ministers on protection of the oil infrastructure. According to Al-Ramadhan of KNPC, the VISG patrols some of the oil facilities. Within KPC, he explained, each subsidiary is responsible for its own security, meaning that KOC is responsible for the upstream security, while KNPC is responsible for the downstream, and the other subsidiaries are responsible for the security in the areas under their purview. Al-Ramadhan explained that there is an office at the parent KPC organization that tries to coordinate security among all the oil companies, and that the security officers at each company get together for monthly meetings. A new security services subsidiary company of KPC would be formed before the end of the year, he added, and this company would take over all security functions of the entire GOK-owned oil sector.

10. (S) Al-Awadi and Al-Ramadhan of KNPC said that a number of recommendations from the AustroConsult security audit were being carried out now, with a number of ongoing projects. CCTVs are being installed around all the refineries, they explained, with over 250 new cameras to be installed and monitored from a central control room. New road barriers and entrance barriers would be installed at critical entrances. The Ministry of Interior currently conducts background checks on new employees, but the two KNPC officers implied that these background checks were only done on foreigners "with Arab names." One of the security consultants, Global Village Strategies, was being given a new contract to provide additional security training for KNPC personnel.

11. (S) According to Al-Ramadhan (and other sources), a no-entry zone has been established in the port and offshore area, including the north and south piers, the "Sea Island", and the Single Buoy Mooring. Al-Awadi showed Econ Officer a map of this zone, with clear path outside the zone for fishing and commercial vessels that need to reach the nearby ports. They explained that the Kuwait Coast Guard currently patrols this zone and makes arrests when people violate the no-entry order. The Coast Guard currently uses boat-based radar, but radar will now be installed on a number of buoys in the no-entry zone in order to automatically detect

intrusions. The KNPC officials said that fishermen and recreational boaters were aware of the no-entry zone and, for the most part, steered clear. They added that a new patrol team equipped with Zodiac boats is being set up in the nearby Mina Al-Abdullah area and that these boats would patrol the entire no-entry zone.

#### Impact of a Disruption at Mina Al-Ahmadi

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¶12. (SBU) The Mina Al-Ahmadi facilities include a refinery, the north and south loading piers, the Sea Island loading platform, the Single Buoy Mooring (SBM), pipelines, storage facilities, and office buildings. Mina Al-Ahmadi is located about 45 km south of Kuwait City. The refinery contains three crude oil distillation units with a total capacity of 442,000 bpd. It also contains a number of other units of smaller capacity for other uses, including benzene treatment, sulfur elimination, vacuum distillation, hydrogen cracking, coefficient cracking, Eocene crude distillation, asphalt production, and removal of acidic gasses. The refinery was originally built in 1949 and was upgraded in the 1980's. Any attack or accident at Mina Al-Ahmadi would stop about 430,000 bpd of crude being refined each day, the actual average daily amount passing through the refinery over the past two years.

¶13. (SBU) The bigger impact would be a disruption in the export capabilities of Kuwait through the facilities at Mina Al-Ahmadi. Given the agreement that Kuwait is most vulnerable to an attack from the sea, this is a serious concern. The south pier at Mina Al-Ahmadi has eight berths varying in depth from 12 to 15 meters, and the north pier has four berths with a depth of 18 meters. The Sea Island is a loading platform with six docking platforms with a 30 meter depth, and the SBM is connected by undersea pipeline to the Sea Island. Industry contacts and other sources estimate that with these facilities, Kuwait can export almost 2 million bpd. Al-Ramadhan and Al-Awadi of KNPC assured Econ Officer that Kuwait could find other means of export if these facilities were damaged, including the use of tanker trucks. (Comment: We remain skeptical.)

¶14. (SBU) A network of pipelines transfers crude oil to the storage centers in Ahmadi and these pipelines are, for the most part, unprotected. From the southern reservoir farm in Ahmadi, crude is supplied to the Ahmadi Refinery via 24 inch pipeline. The refinery has 3 reservoirs for temporary crude storage with a capacity of 600,000 barrels, and export reservoirs with a capacity of 6 million barrels.

#### Other Vulnerable Facilities

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¶15. (SBU) Besides the refinery at Mina Al-Ahmadi, there are two other existing refineries in Kuwait - Mina Abdullah and Shuaiba Refinery. We doubt that either of these facilities has any additional protection beyond what is available at Mina A-Ahmadi. The pipelines running throughout the country remain highly vulnerable to attack, as do the gathering centers and other facilities. The tank farms and other storage facilities are also vulnerable. Within Kuwait's growing petrochemical industry, the EQUATE petrochemical plant and associated facilities will be a point of concern, as will be two new petrochemical plants scheduled to come online by 2008.

¶16. (SBU) Recent incidents on Kuwait's northern border with Iraq highlight the need for Kuwait to improve its security for the northern oilfields and its cooperation with Iraq security forces in securing the border. The desalination plants, while not directly part of the oil industry, could be easily affected by any offshore oilspill and could seriously impact Kuwait's supply of fresh water. Additionally, there is little protection to KPC and subsidiary company buildings throughout the country, and it is quite easy to walk into some of them without being stopped. We have seen some improvement in this area over the past year, but more needs to be done.

¶17. (SBU) Finally, the facilities in the divided zone between Kuwait and Saudi Arabia, the Mina Saud facilities, remain vulnerable to potential attacks, especially from the sea. These facilities include the Wafra, South Fuwaris, South Umm Gudair and Humma oilfields, the pipelines connecting these fields to the gathering center, 50 km of pipeline connecting Wafra to Mina Saud, ten storage tanks, and the undersea pipeline and offshore loading platform. The divided zone oil facilities are run by a joint operation between the Kuwait Gulf Oil Company and Saudi Arabian Texaco Inc. (SAT), a division of Chevron which operates the Saudi portion of the joint operation on behalf of the KSA. We have spoken numerous times with SAT officials about the security of their facilities, including the residential compound housing about 40 American families. SAT utilizes radar to detect any vessels on the water in the area. /SAT has a good

internal security program, but is trying to get the GOK to do more to secure the area outside of the SAT compound. Thus far, however, they have been largely unsuccessful. The RSO met with several officials at SAT and Chevron, discussing these vulnerabilities at length. Resource shortfalls and lack of commitment to mitigate these risks plagues efforts to address these concerns.

View from the IOCs

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18. (C) Econ Officer has spoken with numerous Kuwait-based executives of international oil companies (IOCs) concerning Kuwait's preparedness for any natural disaster or attack involving its oil infrastructure. None of the executives found Kuwait's preparation for any such event particularly impressive, and most said that Kuwait would quickly turn to the IOCs for help in the aftermath of any incident. One contact declared that he and his company would definitely not rely on any plans developed by the GOK or KPC for the safety of himself and his colleagues, and that he had an alternative plan ready. He also said that, when IOCs are asked for recommendations on safety and security procedures and provide such advice, no feedback or follow-up questions come from the Kuwaitis. Other IOC executives have told us that some people within the GOK operate under the assumption that the U.S. Navy is protecting Kuwait's offshore oil facilities

Kuwait Oilfield Maps

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19. (U) Numerous oilfield maps of Kuwait are available on Embassy Kuwait's SIPRNet site:  
(<http://www.state.sgov.gov/p/nea/kuwait/>). Please visit our site and in the "Picture Galleries" box on the left side of the page, scroll down in the box and click on "Oilfield Maps".

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Visit Embassy Kuwait's Classified Website:  
<http://www.state.sgov.gov/p/nea/kuwait/>

You can also access this site through the State Department's Classified SIPRNET website

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